



State of Washington  
Department of Revenue  
Forest Tax Section  
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# FOREST EXCISE TAX RETURN

## Private Land - Small Harvester

Quarter

Year

Show changes in address above.

If permit ownership has changed, attach DNR transfer forms.

☐ **IF NO HARVEST ACTIVITY** this quarter, check this box, sign your name at bottom and return this summary page.

☐ **IF NO FUTURE HARVEST** will occur on any of the applications (permits) shown below and tax has been paid, **CHECK THIS BOX TO CLOSE YOUR ACCOUNT.**

### SUMMARY TOTAL FROM DETAIL PAGE(S)

Detail Page No.	County	Check to Delete DNR Appl. No * (✓)	Dept. of Natural Resources Forest Practice Application (Permit) Number	Land Type	Check to Delete Sect. * (✓)	Sec.	TWP	Rge E or W	Stumpage Value Area	Haul Zone	Check if no Harvest on This Section (✓)	Approved Salmon "EARR" Credit	Amount of Salmon "EARR" Credit	Total Taxable Stumpage Value

\* See Reporting Instructions For Closure

**TAX DUE BY:**

**PLEASE CHECK ONE:**

- A ☐ INDUSTRIAL LANDOWNER (wood using plant)  
B ☐ LARGE LANDOWNER (over 1000 acres)  
C ☐ SMALL LANDOWNER (under 1000 acres)

#### AVOID PENALTIES

#### AFTER DUE DATE ADD PENALTY

See new rates and  
instructions on page 4

Signature \_\_\_\_\_

Daytime Phone \_\_\_\_\_ Date \_\_\_\_\_

**If tax due for the quarter is less than \$50.00, (after the salmon "EARR" credit is applied) do not pay. However, the return must be completed and filed.**

#### Total All Summary Pages and Transfer To Summary Page 1.

<b>Grand Total Taxable Stumpage Value</b>	\$	
Tax Due = Grand Total Stumpage Value Times <b>Current Rate = .05</b>	\$	(Do Not Round.)
Less Salmon "EARR" Credit	\$	
Less Previous Credit	\$	
Penalty (Minimum \$5.00 if tax is due)	\$	(Do Not Round.)
Interest (For Department Use Only)	\$	(Do Not Round.)
<b>Total Payment Enclosed</b>	\$	

**Make Check Payable To: Department of Revenue**



# SMALL HARVESTER DETAIL PAGE INSTRUCTIONS

The following instructions correspond to the blocks on the detail page.

**Quarter/Year** - Enter the quarter and the year being reported.

**Detail Page Number** - Enter the page number on each Detail Page.

**Block 1** - Harvester's name (timber owner).

**Block 2** - Landowner's name.

**Block 3** - Your Tax Reporting Account Number is the 9-digit number printed above your name on the front of the tax return. The first 3 digits are 800.

**Blocks 4 through 8** - Transfer the information from the Summary Page.

**Block 9** - Enter the number of acres logged (rounded to the nearest acre) this quarter only and check the box for a partial cut or a clear cut.

**Block 10** - If harvest is completed in this quarter and taxes are paid, mark the *Yes* box. If not, mark the *No* box.

**Block 11** - Check to indicate whether this FPA is eligible for the salmon "EARR" credit.

**Block 12** - Enter the net volume (MBF) of weighed conifer and hardwood logs and scaled conifer and hardwood logs. Convert the tons to MBF. Combined, they equal the total volume. This information may be obtained from your scale tickets or the purchaser.

**Block 13 - Stumpage Value** - Report under Method A or Method B.

**Method A - Sale of Logs** - When the timber owner retains title to the timber until after it is harvested and sold, the taxable stumpage value is the total log selling price minus the harvesting costs. If the ownership of the timber is in question, the responsibility for the Forest Excise tax defaults to the landowner.

**Line 1** - Enter the gross amount paid for the logs by the mill (including the logger's share).

**Line 2A or 2B** - Enter either the Documented Costs (2A) or Department Allowance (35%). You can not apply both 2A and 2B. Actual harvesting costs (2A) must be used in all instances where documented records are available.

**Line 3** - Subtract the harvesting costs (line 2A or 2B from the Total Sale Price (line 1) and enter on line 3, Total Taxable Stumpage Value. Transfer the amount on Line 3 to the Summary page.

**Harvesting and Marketing Costs** are only those costs directly and exclusively associated with harvesting timber from the land and delivering it to the buyer.

Examples of **Allowable Cost Deductions**:

- falling, bucking and yarding (skidding) costs
- loading and hauling costs.
- slash disposal costs as required (by the Department of Natural Resources, WAC 332-24-650) to abate extreme fire hazard.

Examples of **Allowable Cost Deductions (continued)**:

- building costs for temporary roads and purchases of temporary easements.
- timber sale preparation costs such as cruising, timber marketing, sale administration and harvest administration These costs should be clearly documented in a written contract with a professional Forester.
- Forest Practice Application fee (app. \$59.00).

Examples of **Costs Which Cannot Be Deducted**:

- property boundary surveys
- reforestation costs such as scarification, planting and fertilization
- cost of improvements such as rock roads or bridges, land clearing and stump removal
- major equipment purchases and repairs
- cost for labor when performed by harvester
- Forest Excise Tax.
- DNR or county conversion fees (app. \$450.00).

**Conversion costs** - Timber harvest costs must be documented separately from land conversion costs. Conversion work expenses such as; stump removal, permanent roads, land clearing, and excavations are not allowable cost deductions. If a clear separation cannot be documented, the harvester must use the department allowance.

Documented proof of costs must be available for audit. When the harvester cannot document the actual costs, the Department will provide a percentage deduction from the gross log sales. Currently, the Department will permit a deduction of thirty five percent (.35) for harvesting costs.

**Method B - Purchase of Standing Timber** - This applies to the purchase of standing or fallen timber that has not been severed from the stump. Harvest must occur within 24 months of purchase. (If harvest occurs more than 24 months after the purchase, use Method A or the published Stumpage Value tables.)

**Total Taxable Stumpage Value** - Transfer total taxable stumpage value from the Detail page to the Summary page in the column opposite the correct Section, Township and Range. Enter the grand total stumpage value and compute the tax due. Refer to Summary page instructions on the back of the Summary page.

**Block 14 - Salmon "EARR" Credit** - If the Salmon "EARR" Credit is allowed for this FPA, multiply *Total Taxable Stumpage Value* by 0.008. This is the amount of your salmon "EARR" credit. Transfer the amount of credit in block 14 to the *Amount of Salmon "EARR" Credit* column on the summary page in the row that corresponds to this FPA.



# FOREST EXCISE TAX RETURN

## Small Harvester Detail

Quarter	Year
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Detail Page \_\_\_\_\_ of \_\_\_\_\_.

- Limited to Harvesters of an amount not exceeding two million board feet in a calendar year of combined private and public harvest.
- Harvest of Christmas Trees must be reported on standard detail page. *(Provided on request)*
- Attach a separate detail page for each DNR application (permit) number and/or legal description.

### HARVEST FROM PRIVATE LAND

1. Harvester's Name (Timber Owner)	2. Landowner Name			3. Tax Reporting Account Number			
4. County Name/Number	5. DNR Forest Practice Application (Permit) No.	6. Sec.	TWP	Rge <input type="checkbox"/> East <input type="checkbox"/> West	7. Stumpage Value Area	8. Haul Zone	

9. Number of Acres Logged This Quarter: \_\_\_\_\_  
☐ Partial Cut ☐ Clear Cut  
*(Check One)*

10. Is harvesting completed for the above section within this reporting period?  
☐ Yes ☐ No  
*If Yes, Check 'Delete' on Summary Page as well.*

11. Has DNR approved the Salmon "EARR" Credit for this FPA? (Refer to summary page.)  
☐ Yes ☐ No ☐ N/A  
*If yes, see block 14, below.*

12. Volume Harvested This Quarter:	Conifer	Hardwoods	
<b>Scaled Logs</b> (scribner volume/thousand board feet)			MBF
<b>Weighed Logs Tons</b> (all species not included above), To convert to thousand board feet (MBF), Divide By 8.0			MBF
<b>TOTAL VOLUME</b>			MBF

### 13. Stumpage Value - Report under Method A or Method B as appropriate:

**Note:** Timber sale proceeds over \$100,000.00 gross are subject to Business and Occupation Tax as well as Forest Tax.

METHOD A - Sale of Logs		Harvest & Marketing																			
1. Total Sale Price For Logs..... \$ _____	<i>Itemized Costs (2a):</i> <table border="1"><thead><tr><th>Item</th><th>Amount</th></tr></thead><tbody><tr><td></td><td>\$</td></tr><tr><td></td><td>\$</td></tr><tr><td></td><td>\$</td></tr><tr><td></td><td>\$</td></tr><tr><td></td><td>\$</td></tr><tr><td></td><td>\$</td></tr><tr><td></td><td>\$</td></tr><tr><td colspan="2"><b>TOTAL</b> \$</td></tr></tbody></table>	Item	Amount		\$		\$		\$		\$		\$		\$		\$	<b>TOTAL</b> \$			
Item		Amount																			
		\$																			
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	\$																				
<b>TOTAL</b> \$																					
Less - Check One <i>(if applicable)</i>																					
2a. <input type="checkbox"/> Harvesting & Marketing Costs (Actual).... \$ _____																					
<i>Itemize Deductions To The Right -----&gt;</i>																					
<b>OR</b>																					
2b. <input type="checkbox"/> Department Allowance (35%)..... \$ _____																					
Actual Harvesting Costs <b>MUST</b> Be Used																					
In All Instances When Documented																					
Records Are Available																					
3. <b>Total Taxable Stumpage Value</b> ..... \$ _____																					
<i>Transfer Amount in No. 3 to Summary Page</i>																					

*(Transfer to Line 2a)*

<b>METHOD B - Purchase of Standing Timber</b>	
No Harvesting and Marketing Cost is Allowable.	<b>Payment for Timber is Total Taxable Stumpage Value:</b> \$ _____ <i>(Transfer Total to Summary Page)</i>

<b>14. SALMON "EARR" CREDIT</b> - If you checked <i>Yes</i> in box 11, multiply Total Taxable Value by .8% (.008). This is the amount of your Salmon "EARR" Credit for harvest. ....	\$ _____
<i>(Transfer Total to Summary Page)</i>	

**COMPLETE AND RETURN THIS PAGE WITH THE FRONT PAGE TO THE DEPARTMENT OF REVENUE**



# SMALL HARVESTER SUMMARY PAGE INSTRUCTIONS

The first page of the Forest Excise Tax Return is the Summary Page for the return. A Detail page or several Detail pages will first need to be completed before completing this Summary page. Detail page instructions are on the reverse side of the Detail page.

**Errors and Omissions** - If there are errors or omissions in the pre-printed information on the Summary Page, line out the errors. Enter corrections.

**Sections With No Harvest** - A column indicating (✓) **No Harvest** is on the Summary Page. Check this column if no harvest occurred on a specific section.

**Closing Your Forest Excise Tax Account** - Two columns indicating "check to delete (✓)" are on the Summary Page.

**Delete Section** - Check column if harvest for this section is completed. This will delete this section from your future tax returns. Only check if the specific section should be deleted.

**Delete DNR Application (Permit) Number** - Check column if harvest for all sections of this specific application number is completed. This will delete the permit from future tax returns. Check only if all sections for this specific application number are to be deleted. **CAUTION: A deleted application number indicates that harvest is *totally completed* for *all* sections under the application and the tax has been paid. If the application has been transferred, please attach DNR transfer forms.**

**Salmon "EARR" Credit** - The term *salmon "EARR" credit* relates to the provisions set forth in 1999 1<sup>st</sup> Special Session WA Laws Ch. 4 Sec. 401. Under this section of the law, taxpayers are allowed a credit (referred to as the salmon "EARR" credit in the tax forms and instructions) for timber harvested under a Department of Natural Resources (DNR) approved Forest Practices Application (FPA) subject to enhanced aquatic resource requirements. Look for the 'Y' (yes) in the salmon "EARR" credit column on the summary page of your tax return to determine if the DNR has approved your FPA(s) for this credit.

The Forest Excise Tax rate remains unchanged at 5% of taxable stumpage value. Under the Salmon "EARR" Credit, eligible FPAs will receive a credit equal to 0.8% of taxable stumpage value. Instructions to calculate the Salmon "EARR" Credit are provided in the detail page instructions and on the detail page of your tax return. **Please follow these instructions to ensure you receive the proper credit.**

## COMPUTATION:

- **Grand Total Taxable Stumpage Value** - Add the Total Taxable Stumpage Value column. Enter the amount in the Grand Total Taxable Stumpage Value block at the bottom of the Summary Page.
- **Tax Due** - Multiply the Grand Total Taxable Stumpage Value amount by the current rate and enter the tax due in this block. Please do not round the tax due to the nearest dollar. If the tax due is less than \$50.00, do not pay. However, the return must be completed and mailed.
- **Salmon "EARR" Credit** - Add all credit amounts in the Amount of Salmon "EARR" Credit column on the summary page. Enter this amount in the Less Salmon "EARR" Credit box at the bottom right side.
- **Previous Credit** - When entering credit(s), attach a copy of the credit note(s) to your tax return.
- **Penalty** - Penalty is computed as follows: Tax Due minus the salmon credit, minus previous credits, multiplied by the appropriate penalty percentage rate. Please do not round the penalty amount to the nearest dollar. The minimum amount of penalty is \$5.00 for any late filing with tax due. Return must be postmarked by the due date to avoid penalties.  
  
Penalty is assessed as follows:
  - 5% penalty assessed after due date;
  - 15% penalty assessed after the last day of the month following the due date;
  - 25% penalty assessed after the last day of the second month following the due date.
- **Total Payment Enclosed** - Tax due minus the salmon "EARR" credit, minus previous credits, plus penalty equals total payment. Please do not round total payment to the nearest dollar. **Make check payable to: Department of Revenue.**

**Signature and Telephone Number** - Sign your name in the signature space. Enter your daytime telephone and area code number. Enter the date.

For tax assistance, visit <http://dor.wa.gov> or call 1-800-548-8829. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users may call (800) 451-7985. For Stumpage Value Tables and other information, click *Forest Tax* under *Tax Topics*.